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# BLOCK GRANTS

## Federal-State Cooperation in Developing National Data Collection Strategies





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General Accounting Office  
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**Human Resources Division**

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The Honorable Augustus F. Hawkins  
Chairman, Subcommittee on Elementary,  
Secondary, and Vocational Education  
Committee on Education and Labor  
House of Representatives

The Honorable William F. Goodling  
Ranking Minority Member  
Subcommittee on Elementary, Secondary,  
and Vocational Education  
Committee on Education and Labor  
House of Representatives

The Honorable David R. Obey  
House of Representatives

You asked us to compare the data collection and reporting provisions of the education block grant (chapter 2 of the Education Consolidation and Improvement Act of 1981) with those of other block grants and to assess the viability of federal and state cooperation in the collection of national block grant data. This report assesses the viability of this approach to obtaining national data without resorting to prescriptive federal regulations.

As agreed with your offices, we are sending copies of this report to other interested congressional committees and members; the appropriate executive department heads; the Director, Office of Management and Budget; state and local governmental agencies; and national associations representing state block grant officials. We will also make copies available to other interested parties upon request.

This report was prepared under the direction of J. William Gadsby, Associate Director. Other major contributors are listed in appendix IX.

Lawrence H. Thompson  
Assistant Comptroller General

efforts. For example, under the leadership of a national association with guidance from the federal agency, a national survey was developed for the substance abuse program directors. As a result, data collection efforts for substance abuse programs were generally sufficient to meet federal policymakers' oversight needs. The Congress has recently passed legislation to require the Secretary of Education to develop a cooperative system for the collection of education block grant data. A similar system is not required under the community services block grant.

In contrast, when there was no statutory requirement to encourage national leadership, comparable data were more difficult to obtain. For example, when the education block grant was created, neither the Department of Education nor a national association representing state and local education officials provided leadership in developing report format or content. Consequently, state reports on block grant-related activities could not be aggregated to provide a national picture. Now that the states have their data collection systems in place, changes to accommodate a national reporting format to provide comparable state data on educational activities, such as the number of students served and the use of funds to serve private school students, have been difficult to implement. Similarly, the absence of national leadership has hindered the collection of comparable state-level data on clients and services for mental health programs. (See pp. 23-26.)

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### Certain Program Characteristics Facilitate the Cooperative Approach

Several program characteristics, such as clear program objectives, also enhance the viability of the cooperative approach. Under the energy assistance and alcohol, drug abuse, and mental health services block grants, where federal funds support a narrow range of allowable program activities, the federal agency and national associations were able to encourage states to voluntarily collect and report data to meet national reporting requests. For both programs, states fully supported the voluntary national requests for data. (See pp. 20-23.)

The cooperative approach to data collection was also easier to implement when (1) federal funding was available to support data collection activities, (2) national-level staffs were designated to work with state officials, (3) state officials were involved in the system design, and (4) states had been involved in prior categorical grant programs.

collected through this approach for the four block grants were not always comparable across states. Limited data comparability, however, would be a consequence of any voluntary effort. Nonetheless, several factors, primarily national leadership in developing standard forms and definitions, can improve data comparability.

Because of limitations in data comparability, the voluntary approach cannot equitably serve other potential congressional and federal agency needs that require comparable data, such as to allocate funds or compare the cost per client served among states. To increase data comparability to meet such needs would probably require mandatory federal data collection standards, which would result in additional costs and increased state and local administrative burdens. Even then, some states might have difficulty in regrouping data to meet federal reporting requirements.

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## Principal Findings

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### Burden Reduced but Data Were Not Always Comparable

The collection of data through the cooperative approach for the four block grants reduced administrative burdens on state and local governments. It also promoted broad state cooperation in the development of national data systems by involving state officials in the systems' design. Further, it allowed states flexibility to accommodate national reporting requests by making maximum use of their own information systems. However, limited data comparability reduces the usefulness of data collected under this approach for other purposes where fully comparable data are needed, such as allocating federal funds or determining the magnitude of needs among individual states.

### Several Conditions Contribute to Increased Data Comparability

Where policymakers have concluded that the cooperative approach can meet federal data needs, several conditions, primarily the existence of national leadership, appear to have contributed to the success of the approach. When a federal agency or a national association took the lead in developing model criteria and standardized forms, it was easier to collect comparable data through the cooperative approach. Under the energy assistance and the alcohol, drug abuse, and mental health services block grants, where legislation requires federal agencies to work with appropriate national associations representing state officials to develop national data systems, states fully supported the cooperative

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# Contents

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<b>Executive Summary</b>		2
<b>Chapter 1</b>		8
<b>Introduction</b>	Background	8
	Objectives, Scope, and Methodology	10
<b>Chapter 2</b>		15
<b>Overall Assessment of the Viability of the Cooperative Approach</b>	Assessment of the Cooperative Approach Based on Our Criteria	16
	Usefulness of Data Collected Under the Cooperative Approach Is Limited	19
	Certain Program Characteristics Enhance the Viability of the Cooperative Approach	20
	Conditions That Contribute to Increased Data Comparability	23
	Conclusions	26
	Matters for Congressional Consideration	27
	Recommendations to the Secretary of HHS	27
	Recommendations to the Secretary of Education	28
	Agency Comments	28
<b>Appendixes</b>		
	Appendix I: Agencies and Associations Included in Our Review	30
	Appendix II: Assessment of the Cooperative Approach Under the Alcohol, Drug Abuse, and Mental Health Services Block Grant	32
	Appendix III: Assessment of the Cooperative Approach Under the Low-Income Home Energy Assistance Program	41
	Appendix IV: Assessment of the Cooperative Approach Under the Community Services Block Grant	47
	Appendix V: Assessment of the Cooperative Approach Under the Education Block Grant	54
	Appendix VI: Comments From the Department of Health and Human Services	62
	Appendix VII: Comments From the Department of Education	65
	Appendix VIII: Comments From the Office of Management and Budget	66
	Appendix IX: Major Contributors to This Report	67

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## Matters for Congressional Consideration

In considering future block grant data needs, the Congress may want to statutorily require the Secretary of Health and Human Services to develop a model for state data exchange in consultation with appropriate associations of state and local officials to facilitate uniform data collection under the community services block grant. The Congress has already required the cooperative approach for the energy assistance; education; and alcohol, drug abuse, and mental health services block grants.

The Congress should also consider providing seed money to encourage national leadership by helping federal agencies, national associations, and other organizations defray initial systems start-up costs and ongoing costs for the collection, processing, analysis, and publication of comparable block grant data across states. (See p. 27.)

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## Recommendations

GAO recommends that the Secretary of Health and Human Services work with the states through the cooperative data collection efforts to increase data comparability under the energy assistance; community services; and alcohol, drug abuse, and mental health services block grants. (See pp. 27-28.)

GAO also recommends that the Secretary of Education, when developing the cooperative data system recently required by the Congress, define specific data categories as part of the model format for the required state evaluations in order to facilitate uniform data collection. (See p. 28.)

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## Agency Comments

The Departments of Health and Human Services and Education concurred with GAO's recommendations to increase the viability of the cooperative approach to obtaining national block grant data. They also provided some technical comments, which were incorporated, where appropriate, in this report. While the Office of Management and Budget had some concerns about GAO's scope and the need for federal seed money for initial systems start-up costs and ongoing costs for cooperative data collection activities, it said that it did not object to the report's recommendations. (See pp. 28-29.)

# Introduction

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The enactment of several block grants in 1981 shifted responsibilities for many program management decisions from the federal government to the states. Since then, the Congress has been interested in how data can be collected nationally on the uses and results of block grants without imposing excessive reporting burdens on states. This report examines federal and state approaches to collecting national data through cooperative arrangements. These arrangements have evolved in seven of the block grants as alternatives to the detailed collection requirements imposed under many categorical grant programs.

Under block grants, states are generally required to submit periodic reports to the federal government on their use of block grant funds, but they are often given the flexibility to determine the exact form and content of these reports. Each state collects data primarily to meet its own budgetary and management needs, and each has unique laws and fiscal accounting systems. As a result, information collected by some states may not be comparable with that collected by other states. This is in marked contrast to data collection efforts under categorical programs, which required states to adhere to federal data collection standards that seek to standardize data across states for congressional oversight and program management purposes.

Although states prefer the flexibility to develop data systems based primarily on their own needs, they recognize the need for national block grant data to meet congressional requests. Therefore, many have cooperated in voluntarily developing standard reporting forms, definitions, and data elements for 7 of the 11 block grants. These data collection systems were often developed in conjunction with federal agencies and national associations. This cooperative approach attempts to minimize the differences among state data collection systems without resorting to the prescriptive federal data collection requirements under the former categorical grant programs.

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## Background

Of the 11 block grants operating in 1988, 8 were enacted as part of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35). This statute substantially changed the administration of numerous federal domestic assistance programs by abolishing some and by consolidating 57 categorical grant programs into block grants and shifting primary administrative responsibility for these programs to the states. About \$13 billion was appropriated through these 11 block grant programs for fiscal year 1988.

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<b>Related GAO Products</b>		68
<b>Tables</b>		
	Table 1.1: Description of Criteria for Assessing the Cooperative Approach	12
	Table 2.1: Assessment of the Cooperative Approach for Each of the Four Block Grants	16
	Table 2.2: Program Characteristics That Influenced the Viability of the Cooperative Approach	21
	Table 2.3: Prevalence of Conditions That Contribute to Increased Data Comparability	23

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**Abbreviations**

ADAMHA	Alcohol, Drug Abuse and Mental Health Administration
ADMS	alcohol, drug abuse, and mental health services
APWA	American Public Welfare Association
CSBG	community services block grant
FSA	Family Support Administration
GAO	General Accounting Office
HHS	Department of Health and Human Services
LEA	local educational agency
LIHEAP	low-income home energy assistance program
NASADAD	National Association of State Alcohol and Drug Abuse Directors
NASCSP	National Association for State Community Services Programs
NASMHPD	National Association of State Mental Health Program Directors
NIMH	National Institute of Mental Health

cases, national associations have taken the lead in collecting data without any federal support because they see the value of having data available for the Congress.

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## Objectives, Scope, and Methodology

The Chairman and Ranking Minority Member of the Subcommittee on Elementary, Secondary, and Vocational Education, House Committee on Education and Labor, and a member of the House of Representatives asked us to examine federal and state cooperation in collecting national data on block grant programs. Some Members of Congress, as well as federal and state officials, are concerned about the consequences of this approach, such as limited data comparability in the absence of federal data collection standards. Our primary objective was to assess the viability of the cooperative approach.<sup>2</sup>

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## Selection of Programs Included in Review

We surveyed the reporting requirements for all block grants and focused on four programs that were representative of the varying characteristics of block grants. These characteristics include (1) the relative share of funding from state and federal sources, (2) the amount of federal and state financial support for national data collection activities, and (3) the data collection strategies used by federal agencies in different program policy areas. The block grants are as follows:

- Alcohol, drug abuse, and mental health services (ADMS)—under which state and private funds are about 82 percent of program funding in the substance abuse area and about 86 percent of funding for community mental health services. The states voluntarily report data on substance abuse and mental health (financial data only) to national associations through standardized data collection formats. The federal agency provides financial support to the national association collecting data on the substance abuse program area.
- Low-income home energy assistance program (LIHEAP)—under which states contribute about 1 percent of program funding for four activities. They provide data directly to the Department of Health and Human Services (HHS), voluntarily using a format developed by a national association with federal financial support.
- Community services block grant (CSBG)—under which states contribute less than 5 percent of program funding. Most states voluntarily submit data to a national organization, which prepares a national report under

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<sup>2</sup>We did not assess the usefulness or test the accuracy of individual data elements, nor did we evaluate other methods of obtaining national block grant data, such as special studies and surveys.

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## Statutory Requirements for Federal and State Data Collection and Reporting

Block grant legislation imposes several minimum data collection and reporting requirements on both federal and state agencies. Federal agencies are generally required to (1) prepare agency reports to the Congress, which summarize the program activities supported with block grant funds; (2) collect program assessment data on specific types of activities; and (3) conduct compliance reviews, which are used to determine whether the states are carrying out their programs in accordance with federal laws and regulations.

To comply with federal statutes, states are generally required to collect data to meet four types of reporting requirements: (1) grant applications, which include information on how the states plan to use federal funds; (2) program and evaluation reports, which describe the actual use of federal funds; (3) fiscal expenditure reports, which provide a picture of expenditures within certain cost categories; and (4) financial and compliance audits, which examine the financial statements and internal controls of administering state agencies. Although the administering federal agencies generally have the authority to prescribe the form and content of these state reports, for block grants they have chosen not to impose requirements beyond those in the legislation. As a result, report format may be decided by each state with minimal guidance. The state reports often serve as the primary source of information that federal agencies report to the Congress.<sup>1</sup>

Some Members of Congress and federal program officials are concerned that comparable data are not available across states to assess whether block grant funds are being used to address key national concerns. These concerns have led the Congress to add new data collection provisions to seven block grants since 1981 to ensure the existence of some comparable national data for these programs. Additionally, the Congress is considering increasing data collection requirements under the alcohol, drug abuse, and mental health services block grant.

In response to legislative requirements and concerns, several federal agencies have developed strategies to obtain national data through cooperative arrangements that are consistent with the block grant philosophy of decentralizing the management of federal programs. These strategies include funding state officials' associations and research firms to collect data in cooperation with federal agencies and conducting special studies and surveys on specific issues of national concern. In some

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<sup>1</sup>See *Block Grants: Federal Data Collection Provisions* (GAO/HRD-87-59FS, Feb. 24, 1987) for specific data collection requirements for each block grant.

**Table 1.1: Description of Criteria for Assessing the Cooperative Approach**

<b>Criterion</b>	<b>Description of indicator</b>
Timeliness	<p>Delivery of state agency reports to the respective national association in time to be included in the association's report by the due date</p> <p>Delivery of state agency reports to the respective federal agency in time to be included in the federal agency's report to meet the statutory due date</p>
Burden	<p>State officials' perceptions of burden to produce common and additional data elements/categories to meet national reporting requests, when compared to prior categorical programs or other federal grant programs</p> <p>Amount of time/staff resources needed to meet national reporting requests</p>
Technical adequacy	<p>Types of data available to state agencies through local agencies and service providers to meet federal agency and/or national association data requests</p> <p>Comparability of data reported by state agencies to the federal agency and/or national association to provide a national overview</p> <p>Adequacy of internal control procedures that the state and federal agencies and national associations had in place to ensure that data reported are reasonably accurate for congressional and federal agency oversight purposes</p>

Not every indicator was available for each block grant program. For example, the data reporting burden perceived under block grants could not always be compared to that perceived for prior categorical programs because some state agency staffs were not familiar with predecessor programs. In such cases, we relied on the state officials' estimates of the amount of time and/or staff resources needed to meet national reporting requests in the six states visited.

To assess the timeliness of data collected and reported, we examined federal agency reports to the Congress, federal agency evaluation reports, and national association reports to determine whether state agencies reported in time to be included in the federal agency or national association reports.

To determine whether the data reported to the federal agency or national association were collected without undue burden on states, we relied on state officials' perceptions of burden in meeting national reporting requests in the six states. We also obtained state officials' perceptions of burden to produce a common data set and of the additional data requested to satisfy federal data requirements under categorical programs.

a federal grant. However, there is no federal guidance on the types of data to be collected.

- Education block grant—under which state and local funds represent more than 93 percent of funding for elementary and secondary education programs. Of the total funding for education programs, the block grant represents less than 1 percent.<sup>3</sup> Most states submit their required evaluation reports to the Department of Education, using a format developed by an organization representing state officials with no federal financial support.

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## Scope of Work

We obtained information to assess the cooperative approach primarily from three sources: federal agencies, state agencies, and national associations and organizations. (See app. I.) We did some limited work at the local level. We performed work at two federal agencies (the Department of Education and HHS) and in six states: California, Maryland, Pennsylvania, Rhode Island, Texas, and Virginia.<sup>4</sup> We chose these states because of geographic location and differences in their data collection approaches, block grant program administrative structures, and size. We also examined the uses of the block grant data at the national level. We performed our work between October 1986 and October 1987.

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## Criteria Used to Assess the Viability of the Approach

We used three criteria to assess the viability of the cooperative approach in providing data useful for congressional and federal agency oversight: the data had to be (1) available in a timely fashion, (2) available without undue burden, and (3) technically adequate. These criteria were developed in consultation with a researcher at the Urban Institute, selected national associations, and various federal and state program officials. We assessed each of the four block grants based on these criteria. Table 1.1 describes the indicators for each criterion.

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<sup>3</sup>The education block grant was reauthorized by the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (Public Law 100-77). It is currently contained in chapter 2 of title I of the Elementary and Secondary Education Act of 1965, as amended.

<sup>4</sup>In Virginia, CSBG was not included as part of this review because the program records were unavailable at the time we performed our work.

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In considering these comments, we made appropriate revisions. (See apps. VI-VIII for detailed agency comments.) Our work was done in accordance with generally accepted government auditing standards.

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To assess technical adequacy, we determined whether the data that states collected were adequate and comparable. We determined what data were collected by local agencies and service providers and reported to the state agency.<sup>5</sup> We also evaluated how well state data bases allow aggregation in each of the six states to produce nationwide data. Finally, we reviewed the six states' internal control procedures to ensure that the data were reasonably accurate. However, we did not test the accuracy of individual data elements.

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### Judging the Viability of the Cooperative Approach

To evaluate the viability of the cooperative approach, federal policymakers will need to weigh the findings under each criterion according to their own program objectives and data needs. For example, policymakers interested in minimizing the administrative burden by requiring only enough data to ensure oversight accountability will want to focus more on the burden criterion than on timeliness and technical adequacy. On the other hand, policymakers who need data for allocating funds or comparing programs across states will want to focus more on the findings for timeliness and technical adequacy.

We based our analysis of the findings that follow on the explicit legislative intent of block grants—to reduce the burden on the states and give them greater administrative flexibility. We also assessed the limitations of the cooperative approach in meeting other data needs of federal policymakers.

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Chapter 2 summarizes our observations of the cooperative approach. In appendixes II through V we describe the design and collection processes developed for each block grant reviewed and assess the timeliness, burden, and technical adequacy of the data produced.

Our sample of four block grants was judgmentally selected to represent a diversity of approaches. Our findings are not intended to be projected to the other block grants. Likewise, the results from our sample of six states should not be viewed as representative of experiences in other states.

HHS, the Department of Education, and the Office of Management and Budget were given an opportunity to comment on a draft of this report.

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<sup>5</sup>We did not assess data that local agencies and service providers collect but do not report to the state agency, because these data are not always readily available to state agencies.

## Assessment of the Cooperative Approach Based on Our Criteria

We assessed the timeliness, burden, and technical adequacy of data collected under the cooperative approach. We found that the four block grants generally met our criteria (see p. 12), with the following exceptions:

- Data comparability at the national level was generally a problem because report formats and definitions vary across states for each of the four block grants.
- Education and community services block grant data were generally not timely.
- Some state officials perceived the national survey of CSBG-supported activities and the preparation of the required education block grant evaluation to be burdensome.

Our analysis of the cooperative approach across the four block grants in six states and the procedures used by federal agencies and national associations to collect national program data are summarized in table 2.1. A discussion of the cooperative approach for each of the four block grants is contained in appendixes II through V.

**Table 2.1: Assessment of the Cooperative Approach for Each of the Four Block Grants**

Criterion	AD <sup>a</sup>	MS <sup>a</sup>	LIHEAP	CSBG	Education
Timeliness	Y	Y	Y	N	N
Burden	Y	Y	Y	N	N
Technical adequacy:					
Availability:					
Expenditures	Y	Y	Y	Y	Y
Services	Y	N	Y	Y	Y
Client numbers	Y	N	Y	Y	Y
Client characteristics	Y	N	Y	Y	N
Comparability:					
State level	Y	Y	Y	Y	Y
National level	N	N	N	N	N
Accuracy:					
State level	Y	Y	Y	Y	Y
National level	Y	Y	Y	Y	N

Y=Yes, the block grant program met our criterion.

N=No, the block grant program did not meet our criterion.

<sup>a</sup>National data on the ADMS block grant are collected by two national associations—one for substance abuse (AD) and one for mental health services (MS). To more clearly convey our results, we treated each program area separately.

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# Overall Assessment of the Viability of the Cooperative Approach

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The cooperative approach can be a viable way of obtaining national block grant data on funding, services, and client characteristics that should meet federal policymakers' oversight needs. This approach allowed states flexibility to accommodate national reporting requests by using their own information systems, thereby reducing administrative burdens. Further, it promoted broad state cooperation in the development of national data systems by involving states in the design of data collection and reporting systems.

However, because limited data comparability is an adverse effect of this approach, national leadership is needed to facilitate uniform state data collection to the extent possible. Also, the cooperative approach is not a viable way to obtain national data for other potential congressional and federal agency needs, such as allocating federal funds or determining state compliance with federal laws and regulations, since more comparable data are needed to minimize inequities in the results.

Where federal policymakers conclude that their data needs can be met through the cooperative approach, we have identified several factors that can enhance the viability of this approach. These include four program characteristics that made it easier to collect data through voluntary reporting: (1) there was a narrow scope of allowable activities, (2) federal funds were the primary source of program funding, (3) states had been involved in prior categorical grant programs, and (4) state governments had clear statutory authority to collect data from their localities.

In those block grants where the cooperative approach can be viable, we have identified six conditions that can increase data comparability: (1) national leadership in directing the development of model criteria and standardized forms, by either a federal agency or a national association; (2) states' recognition of the need for block grant data; (3) federal funding to support data collection activities; (4) designated national-level staff to work with state officials; (5) state officials' involvement in the design of the systems; and (6) federal statutes to encourage cooperation in data collection.

under numerous categorical grant programs, the cooperative efforts have simplified paperwork procedures and reduced administrative burdens. Also, according to state officials, meeting national reporting requests under CSBG represented a significant effort and required substantial work beyond that needed to maintain existing state data bases.

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## Technical Adequacy

Although data reported to the state agencies through the cooperative efforts were available for oversight purposes and states had internal control procedures to ensure its accuracy, data were not always comparable across states. Data on funding, services provided, and client characteristics were generally available and reported by states through the cooperative efforts for the substance abuse portion of the ADMS block grant, LIHEAP, and CSBG. However, states reported little data on the characteristics of clients served under the education block grant, and LIHEAP data on households receiving assistance to weatherize their homes were not always readily accessible to state cash assistance agencies. While the state educational agencies report extensive data on funding and services, information on the characteristics of clients served will be limited until more states report such data.

Although data on funding and services are generally available at the state level for all four block grants, data formats and definitions vary somewhat across states. Under the ADMS block grant, some states are unable to report selected client information according to national reporting categories because of differences in state definitions, and a few must estimate at least part of the data they report to meet national reporting requests. While data under LIHEAP are reasonably comparable, some differences in state definitions exist. For example, most states reported elderly recipients as persons over 60, but a few states defined the elderly as persons over 55 in their fiscal year 1986 reports. And, because of the broad range of allowable activities under CSBG and the education block grant, it is highly likely that the same clients served by more than one activity will be counted twice. In addition, under the education block grant, data identifying students that used instructional resources, such as library books and computers, appear to be inconsistent.

States reported that their internal control procedures were adequate to ensure that reported data are sufficiently accurate for federal agency oversight purposes. Across the four block grants, the six states we visited generally had internal control procedures in place to ensure that data meet minimum state standards of completeness and quality. For the ADMS block grant, some states conducted computerized validity

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## Timeliness

The voluntary submissions of data by states to the federal agency and/or national association to meet national reporting requests were generally timely, with the exception of the education and community services block grants. Under the education block grant, states were slow in meeting the reporting deadline requested by the Department of Education. Only 10 state evaluations for fiscal year 1986 were received by the January 1987 request date. After the request date, another 31 evaluations were received by October 1987, and another 5 by April 1988. Thus, 4 evaluations were outstanding 15 months after the request date.

For CSBG, only 13 state data submissions for some or all parts of the survey were received by the March 1987 due date, and another 33 were received by September 1987. Thus, 4 state data submissions were outstanding when the Center for Community Futures' final report was issued in November 1987.

Under LIHEAP, all state agency reports were received in time to be incorporated into HHS's 1986 report to the Congress. Although some state data submissions were not received by the due dates, they were received in time to be included in both the National Association of State Alcohol and Drug Abuse Directors' (NASADAD's) and the National Association of State Mental Health Program Directors' (NASMHPD's)<sup>1</sup> final reports.

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## Burden

Most state officials in the six states told us that the cooperative data collection efforts were generally less burdensome than their reporting experiences under the prior categorical grant programs. Under the ADMS block grant, both the national associations and states we visited told us that, compared to the federally mandated state reporting under the prior categorical programs, the cooperative efforts are less burdensome. Under LIHEAP, state officials told us that they had few problems in following the national reporting format because their data systems were based substantially on federal requirements under the prior categorical programs. Thus, their costs to follow the national reporting format were minimal, usually amounting to less than one staff-day for each of the two required state reports.

On the other hand, state education officials told us that the preparation of the required evaluation reports were, to some extent, burdensome. Nonetheless, some state officials believe that, compared to reporting

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<sup>1</sup>NASMHPD is not tied to a specific publication date and therefore did not issue its report until all state responses were received.

state-funded clinics in a federal allocation formula would result in some states not receiving their fair share of federal funds.

Furthermore, data collected under the cooperative approach are of limited usefulness in making comparisons among states. While it can be used, with some caution, to compare the number of clients served, the types of services provided, and total dollars spent, it should not be used to compare the cost per client served or program effectiveness among states because of differences in state cost accounting procedures, such as depreciation methods for facilities and equipment. To compare program effectiveness among states, a system must be developed to measure the programs' success.

Additionally, data collected under the cooperative approach may not be sufficient for determining state compliance with federal laws and regulations. In the absence of federal data collection standards, definitions vary across states and thus the data are not adequate to judge whether a particular state is complying with federal laws and regulations. The data might, however, serve as an initial screening to signal the need for additional review.

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## Certain Program Characteristics Enhance the Viability of the Cooperative Approach

Several block grant program characteristics enhance the viability of the cooperative approach. The approach was easier to implement if (1) there was a narrow scope of allowable activities, (2) federal funds were the primary source of program funding, (3) states had been involved in prior categorical grant programs, and (4) state governments had clear authority to collect data from their localities. Table 2.2 summarizes these four characteristics for each of the four block grants in our review.

checks of local data and verified data entries. Under CSBG, state officials seek clarification from local service providers on specific items, and state education officials generally conduct periodic monitoring visits to local educational agencies (LEAs) and require separate quarterly or annual financial reports.

At the national level, one national association developed a checklist for assessing whether the state substance abuse data met its data collection standards. Another association requested states to submit supporting documentation to verify state revenues and expenditures data on state mental health services. At the federal level, existing internal control procedures were not adequate to verify that data reported by the states to federal agencies were reasonably accurate to meet federal policy-makers' data needs other than program oversight.

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## Usefulness of Data Collected Under the Cooperative Approach Is Limited

Our review of four block grants identified several promising uses of data collected under the cooperative approach and several uses that should be limited. Data collected cooperatively show promise for (1) obtaining a national picture of funding, services, and client characteristics to meet congressional and federal agency oversight needs; (2) identifying areas where states need technical assistance; (3) facilitating the exchange of data among states; and (4) tracking national trends in funding and services provided. Limited data comparability and the absence of federal data collection standards to ensure timely and accurate data, however, reduce the usefulness of this approach for other potential congressional and federal agency needs, such as determining the magnitude of needs among individual states and allocating federal funds.

In the absence of federal data collection standards, existing internal control procedures are not adequate to verify that data reported by the states are reasonably accurate and comparable. Consequently, if these data were used to allocate funds, some states could have an incentive to report data that would maximize their allocations under grant formulas used to distribute federal aid to states and localities. Also, methodological problems in analyzing and aggregating data that are not comparable across states could create some inequities in the results. For example, when HHS used NASADAD's data, which account only for those patients served by "state" agencies, to allocate funds under the Anti-Drug Abuse Act of 1986 (Public Law 99-570), several members of the Texas congressional delegation formally protested. Texas patients receive services, for the most part, from city and county clinics that are supported with state funds. According to these Texas congressmen, not considering such

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a single information system to meet their budgetary and management needs. On the other hand, when state funds were relatively small compared to federal contributions in programs such as LIHEAP, states collect data primarily to meet federal reporting requirements. As a result, LIHEAP data can be specifically associated with the block grant because the state funds were a small portion of total program funding. The exception to the reliance on integrated data systems when federal funds are small for the program area is the education block grant, for which states we visited had created separate data reporting systems.

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### State Involvement in Prior Grants

If state governments had been heavily involved in prior categorical programs, collecting national data on block grant programs tended to be easier because states had ongoing relationships with service providers and national associations, as well as established rules, regulations, and monitoring systems to oversee providers' performance. For example, under the ADMS block grant, when federal regulations were substantially reduced, states already had information systems that were uniform and that also met their needs. Even though state educational agencies administering over 40 former categorical programs already had information systems in place, the systems could not provide national data on all aspects of the education block grant because of the wide range of authorized allowable activities.

While the lack of previous state financial involvement could make national reporting more difficult at the outset of the block grant, the six states we visited were willing to support a national reporting format. For example, in the case of CSBG, states had little financial involvement in the program area before its enactment, but they followed a uniform reporting format.

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### Statutory Authority for States to Collect Data

The existence of statutory authority for states to collect data from their local governments increased the viability of the cooperative approach. Under the ADMS block grant, for example, when states required their localities to report individual client data, the localities reported such data. On the other hand, when states did not require local service providers to submit individual client data, some providers did not report such information. Two of the six states we visited did not require the submission of individual client data. As a result, these states had to estimate data to participate in the NASADAD survey.

**Chapter 2**  
**Overall Assessment of the Viability of the**  
**Cooperative Approach**

**Table 2.2: Program Characteristics That Influenced the Viability of the Cooperative Approach**

Characteristic	Block grant				
	AD <sup>a</sup>	MS <sup>a</sup>	LIHEAP	CSBG	Education
Narrow range of allowable activities	Y	Y	Y	N	N
Federal funds are primary source of funding	N	N	Y	Y	N
Prior state involvement in program administration	Y	Y	Y	N	Y
Statutory authority for states to collect data from local entities	Y	Y	Y	Y	Y <sup>b</sup>

Y=Yes, the characteristic is associated with the block grant and appears to contribute to the viability of the cooperative approach.

N=No, the characteristic is associated with the block grant and appears to diminish the viability of the cooperative approach.

<sup>a</sup>National data on the ADMS block grant are collected by two national associations—one for substance abuse (AD) and one for mental health services (MS). To more clearly convey our results, we treated each program area separately.

<sup>b</sup>While five of the six states we visited told us that there were barriers to collecting data from LEAs (e.g., paperwork reduction), the Elementary and Secondary School Improvement Amendments of 1988 now require LEAs to report annually to the state educational agency on the use of funds.

**Scope of Activities**

When block grant funds supported a narrow range of program activities, it was easier for states to reach a consensus on the types of data to be collected and reported. When states had to regroup data to meet national reporting requests for fewer program activities, they were more willing to voluntarily participate in national surveys. For example, under LIHEAP and the ADMS block grant, where federal funds supported a narrow range of program activities, states fully supported cooperative efforts.

When block grant funds were used to support a broad range of program activities, the cooperative approach was more difficult to implement. Although in these cases developing a consensus on what types of data to collect and what reporting formats to use has been slow, state educational agencies, for example, were increasingly willing to collect specific data to meet uniform reporting formats on a broad range of education block grant activities. Similarly, state CSBG officials, whose data cover a broad span of allowable activities, were willing to use a uniform format developed by a national center through a national organization.

**Funding Source**

The relative share of funding from federal sources had an impact on whether states can associate their federal block grant funds with specific program outcomes. For example, under the ADMS block grant, when federal funds were a small portion of total program funding, states used

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## National Leadership

When a federal agency or national association provided leadership in developing a national data system for the four block grants we reviewed, states fully supported cooperative data collection efforts. For example, under both LIHEAP and the ADMS block grant, HHS was involved in developing formats for collecting data. HHS provided funds to the American Public Welfare Association (APWA) to develop a model format for states to use in reporting LIHEAP data. HHS also participated in annual NASADAD meetings to revise reporting forms to collect data on substance abuse for the ADMS block grant, but it has been careful not to be viewed as federally mandating the effort. NASMHPD provided national data on state mental health agency funding sources and expenditures for the same block grant without any HHS guidance. All 50 states as well as the U.S. territories fully supported these three cooperative efforts. Under CSBG, HHS provided a grant to the Center for Community Futures to conduct a national survey, parts of which have had high state participation.

In contrast, when the education block grant was created, little national leadership was provided by the Department of Education or a national association that represented state education officials. Now that states have their data collection systems in place, efforts to collect uniform data on educational activities, such as the number of students served and the use of funds to serve private school students, have been difficult to implement. Similarly, the lack of national leadership has hindered the collection of comparable state-level mental health client and services data under the ADMS block grant.

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## Recognized Need for Data

High state participation in the cooperative data collection efforts under each of the four block grants, according to national associations and state officials we visited, was a result of states' recognition of the political significance of cooperating with federal agencies and national associations to collect national data on block grant programs. This is evidenced by the states' willingness to make the necessary format changes to meet the national, voluntary data requests.

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## Federal Funding

While national leadership and states' recognition of the need for data played a significant role in developing national data systems, federal funding to support the data collection systems greatly enhanced the viability of the cooperative approach. For example, HHS funded the Center for Community Futures to collect data on CSBG, and did not specifically mandate the types of data to be collected. Nonetheless, the Center collected national data on the CSBG program beginning in 1984, and the

Under the education block grant, state educational agencies were encouraged to collect data from LEAs on the use of funds with a minimum of paperwork. As a result, some states did not require LEAs to report on the use of funds. In the six states we visited, however, the LEAs reported data to the state agencies, although five states told us that they were encouraged to reduce paperwork. While the states we visited did not have any difficulty obtaining data from their LEAs, the lack of clear statutory authority could hinder their efforts at the local level, thereby diminishing the viability of the cooperative approach. The Elementary and Secondary School Improvement Amendments of 1988 require LEAs to report annually to the state educational agency on the use of funds.

## Conditions That Contribute to Increased Data Comparability

Data comparability was generally a problem for each of the four block grants because report formats and definitions vary across states. Limited data comparability is a consequence of any voluntary effort. However, there are several factors, primarily national leadership, that can improve data comparability. We identified six conditions that could increase comparability in the types of data states collect. For each of the four block grants, these conditions are shown in table 2.3.

**Table 2.3: Prevalence of Conditions That Contribute to Increased Data Comparability**

Condition	Block grant				
	AD <sup>a</sup>	MS <sup>a</sup>	LIHEAP	CSBG	Education
National leadership by either a federal agency or a national association	X	X	X	X	
States' recognition of need for block grant data	X		X	X	X
Federal funding to support national data collection	X		X	X	
Designated national-level staff to work with state officials	X	X	X	X	
State officials' involvement in system design	X	X	X	X	X
Federal statutes to encourage cooperative data collection	X	X	X		X <sup>b</sup>

X=Presence of condition for the block grant program.

<sup>a</sup>National data on the ADMS block grant are collected by two national associations—one for substance abuse (AD) and one for mental health services (MS). To more clearly convey our results, we treated each program area separately.

<sup>b</sup>The Elementary and Secondary School Improvement Amendments of 1988 now require the Secretary of Education, in consultation with state and local educational agency representatives, to develop a model system that state educational agencies may use for data collection and reporting.

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## Federal Statutes

Legislative requirements have encouraged federal agencies to work with states in developing national data systems. Under the ADMS block grant, for example, HHS was statutorily required in 1984 to work with appropriate national associations to design national data systems for the collection of substance abuse and mental health data. Consequently, HHS is working in cooperation with NASADAD to collect national data on substance abuse program activities, but as of July 1988, it had not entered into an agreement with national mental health associations to collect mental health data. HHS was also statutorily required in 1986 to develop a model state plan format for state use under LIHEAP. Now states voluntarily use a uniform format designed by a national association with HHS guidance. In addition, the Elementary and Secondary School Improvement Amendments of 1988 require the Secretary of Education to work with state and LEA officials to develop a model system that states may use for data collection and reporting. There are no statutory requirements for HHS to work with states to develop a model format for the collection of CSBG data.

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## Conclusions

The collection of national block grant data through the cooperative approach was generally timely, was perceived by most state officials as less burdensome than reporting under former categorical programs, and was generally technically adequate for certain uses. We believe that the approach, if accompanied by national leadership, can be a viable way of (1) obtaining national block grant data on funding, services, and client characteristics to meet congressional and federal agency oversight needs; (2) providing states technical assistance; (3) facilitating the exchange of data among states; and (4) tracking national trends in funding and services provided.

However, limited data comparability is an adverse effect of this approach that reduces the usefulness of the data to serve other potential needs of federal policymakers requiring comparable data, such as allocating federal funds, determining the magnitude of needs among individual states, comparing program effectiveness among states, determining state compliance with federal laws and regulations, and comparing the cost per client served among states. The collection of comparable data to meet those needs would probably require mandatory federal data collection standards, which would result in additional costs and increased state and local administrative burdens. Even then, a federally mandated system may not provide fully comparable data. Where the cooperative approach can meet federal policymakers' data needs, however, we identified several program characteristics that influence the

National Association of State Community Services Programs (NASCSPP) began collecting CSBG data in 1988. In another instance, HHS funded NASADAD to collect national data on the substance abuse portion for the ADMS block grant.

When federal funding was not provided to help national associations defray the cost to collect and process data, the collection of national data has been slow. For example, HHS has not provided funding to a national association, such as NASMHPD, to collect state-level data on the mental health portion of the ADMS block grant, although HHS is working on a cooperative state effort to provide information on mental health clients, services, organizations, staffing, and fiscal indicators. Nor has the Department of Education set aside funds to specifically assist the state education officials in their cooperative data collection effort. As a result, the national data collection systems in these areas took longer to develop than did systems supported with federal funds.

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## National Staff

When a federal agency or national association provided national-level staff to work with state officials to collect and process national block grant data, implementation of the cooperative data collection was easier. For example, under CSBG and the ADMS block grant, national associations contributed staff time and expertise to help states develop uniform reporting formats. Under LIHEAP the states followed a uniform format developed by a national association to report energy assistance data that HHS compiled to provide national data required by the Congress. HHS also helped states by mailing reporting forms and information on grantees' programs before its LIHEAP voluntary telephone survey. There was no comparable support for the state education officials in preparing their fiscal year 1986 evaluations.

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## System Design

The involvement of state officials in the design and implementation of national data systems had a major influence on states' voluntary participation. For example, when LIHEAP was enacted, a national association working in conjunction with the state governments developed a uniform reporting format to collect data on the program. Similarly, state officials were also involved in the design of national data systems for the ADMS block grant and CSBG. National associations attribute states' voluntary participation in their national surveys to states' involvement in designing these systems to use existing state data bases. The state education officials developed a uniform reporting format for the required state evaluations, which states are increasingly willing to follow.

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- encouraging states to use the format developed by APWA to report LIHEAP data and
  - encouraging more states to report LIHEAP weatherization assistance data.

Further, we recommend that the Secretary work with states to increase data comparability and minimize burdens on state and local agencies under CSBG by

- participating in cooperative efforts, such as with NASCSP, to ensure that data elements and categories provide information needed at the state levels and
- encouraging states to fully participate in the national survey.

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## Recommendations to the Secretary of Education

We recommend that the Secretary of Education, when developing the cooperative data system recently required by the Congress, work with the state and local educational agencies to

- define specific data categories as part of the model format for the required state evaluations to facilitate uniform data collection and
- increase the timeliness of the required state evaluations.

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## Agency Comments

HHS and the Department of Education concurred with our recommendations to increase the viability of the cooperative approach to obtaining national block grant data. HHS stated that it has adopted this approach for the six block grants for which it has responsibility. HHS also stated that voluntary systems, with national leadership, are the most effective and least wasteful way to ensure the relevancy and accuracy of the information collected. Education stated that it plans to develop the cooperative data system recently required by the Congress by working with state and local educational agencies.

While the Office of Management and Budget had some concerns about our scope and the timeliness of our data, it said that it did not object to our recommendations. It reiterated its support for the flexibility given to states in collecting data for block grant programs. However, it said it did not necessarily support federal seed money for initial systems start-up costs for the collection, processing, analysis, and publication of additional cooperative data collection systems in other programs. It stated that it would want to review funding proposals on a case-by-case basis.

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viability of the approach and several conditions that contribute to increased data comparability while minimizing administrative burdens on state and local governments.

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## Matters for Congressional Consideration

In considering future block grant data needs, the Congress may want to encourage the federal agencies to use the cooperative approach to data collection in block grants where the primary data needs are for program oversight and tracking national trends in funding and services while minimizing the administrative burden on states. Since the Congress has statutorily required the cooperative approach for LIHEAP, education, and ADMS block grants, it should consider requiring the Secretary of HHS to develop a model for state data exchange in consultation with appropriate associations of state and local officials to facilitate uniform data collection under CSBG.

The Congress should also consider providing seed money to encourage national leadership by helping federal agencies, national associations, and other organizations defray initial systems start-up costs and ongoing costs for the collection, processing, analysis, and publication of comparable block grant data across states.

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## Recommendations to the Secretary of HHS

We recommend that the Secretary of HHS work with national associations representing state officials to increase the comparability of data collected under the ADMS block grant by

- entering into an agreement with appropriate national mental health associations, such as NASMHPD, to collect annual state-level data on mental health activities and client characteristics;
- encouraging states to work with national associations, such as NASADAD and NASMHPD, to achieve greater comparability across state data systems in their use of standardized categories and definitions to collect data with respect to substance abuse and mental health activities; and
- participating in periodic efforts by the national associations to revise their data collection instruments.

We also recommend that the Secretary work with states to improve data comparability and increase the number of states reporting data on households receiving assistance to weatherize their homes under LIHEAP by

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# Agencies and Associations Included in Our Review

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## Federal Agencies

Department of Education:

- Division of Educational Support

Department of Health and Human Services:

- Alcohol, Drug Abuse and Mental Health Administration
- Family Support Administration

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## National Associations and Organizations

National Association of State Mental Health Program Directors

National Association of State Alcohol and Drug Abuse Directors

Center for Community Futures

National Association for State Community Services Programs

National Energy Assistance Directors Association

American Public Welfare Association

Council of Chief State School Officers

Chapter 2 Steering Committee (education block grant)

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## States

California

Maryland

Pennsylvania

Rhode Island

Texas

Virginia

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**Chapter 2**  
**Overall Assessment of the Viability of the**  
**Cooperative Approach**

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The Office of Management and Budget stated that it is proud of the flexibility given to the states in collecting data on block grant programs and strongly supports its continuation. However, unless additional funds are provided to support cooperative data collection activities, the timeliness and comparability of national block grant data may not improve. While states are increasingly willing to support cooperative data collection efforts, these efforts are primarily intended to produce data needed for congressional and federal agency oversight purposes. Therefore, it seems appropriate for the federal government to share the costs and help ensure that adequate oversight data are available to meet national policymaking responsibilities.

# Assessment of the Cooperative Approach Under the Alcohol, Drug Abuse, and Mental Health Services Block Grant

National data on the ADMS block grant are collected by the National Association of State Alcohol and Drug Abuse Directors and the National Association of State Mental Health Program Directors on a voluntary basis. However, the substance abuse and mental health data are not limited to activities supported with block grant funds.

While national data on funding for substance abuse and mental health activities were available, differences in state data categories do not allow precise aggregation. Because states did not consistently use the data categories defined by the national associations, association reports contained estimated data or no responses for particular data categories. However, data were generally timely, and state officials perceived the cooperative efforts as less burdensome than federal reporting under prior categorical programs.

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## Program Characteristics

The ADMS block grant consolidated 10 former categorical programs and allowed states increased flexibility in the funding and management of their alcohol, drug abuse, and mental health services. The block grant is one of several funding sources for state substance abuse and mental health services. ADMS block grant funds are combined with state and private funds to support substance abuse and mental health programs for treatment and prevention. For fiscal year 1988, \$487 million was appropriated for the block grant. Federal block grant funds constituted about 16 percent of total spending in the substance abuse area and about 3 percent of spending for community mental health services in fiscal year 1986. Despite the fact that federal funds are relatively small compared to state and private contributions, states are willing to cooperate with federal officials to collect data, in part because of relationships established under the prior categorical programs.

The administration of the ADMS block grant is not assigned to a single state agency. In five of the six states we visited, the programs were administered by two agencies—one for substance abuse and one for mental health. In the sixth state, it was administered by three agencies—alcohol abuse, drug abuse, and mental health.<sup>1</sup>

The Alcohol, Drug Abuse and Mental Health Administration (ADAMHA) is responsible for monitoring state compliance with the ADMS block grant

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<sup>1</sup>Since our review, however, Maryland's separate alcohol and drug abuse agencies have been merged into a single agency that administers all substance abuse programs. As of June 1988, only 4 of the 50 states (Arizona, New Jersey, New York, and Ohio) maintain separate alcohol and drug abuse agencies, and 2 of them (New York and Ohio) are considering merging the two agencies.

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**State Agencies**

Departments of Alcohol, Drug Abuse, and Mental Health Services

Offices of Energy Assistance

Departments of Economic Opportunity

Departments of Community Services

Departments of Social Services

Departments of Human Resources

Departments of Community Affairs

Departments of Education

parallel to NASADAD's annual data collection effort. In addition, the states have been working on another cooperative effort with NIMH to implement the Mental Health Statistics Improvement Project, which establishes a minimum data set with standard definitions.

Although the 1984 amendments to the ADMS block grant legislation require HHS to develop, in consultation with a national organization, a model for the exchange of state data on mental health, as of July 1988, HHS had not provided the states with such a model for reporting mental health data. Thus, there are currently no state-level data being collected on mental health clients and services by any national association that are comparable to those of NASADAD in the substance abuse area.

However, NASMHPD does collect information on state mental health agency funding sources and expenditures, providing states standard forms and definitions to report the data. States voluntarily participate in this biennial survey. NIMH supported NASMHPD's 1981 and 1983 report preparation, but the report on fiscal year 1985 data was prepared without NIMH financial assistance. Although NASMHPD's data collection effort is no longer supported with NIMH funds, ADAMHA uses NASMHPD data as a source of comparable mental health financial information across states.

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## Assessment of the Cooperative Approach

Although data are collected through a combination of several efforts under the ADMS block grant, we assessed the cooperative state data collection efforts of NASADAD and NASMHPD, applying the timeliness, burden, and technical adequacy criteria for meeting federal oversight objectives. We found that the associations' efforts provided some national data on substance abuse and mental health activities, although data comparability is limited because definitions vary across states for some data categories.

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## Timeliness

The voluntary submissions of state data to both NASADAD and NASMHPD have been sufficiently timely. State program officials in the six states we visited submitted their data submissions to the two associations in time to be included into the final reports. None of the states told us that they had problems with submitting data on time since local units in all six states generally reported information according to required state time frames.

legislation. ADAMHA uses required state reports as a basis for determining compliance. In addition, it conducts formal compliance reviews in several states each year. ADAMHA also coordinates the efforts of the three institutes—the National Institute on Drug Abuse, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute of Mental Health (NIMH)—regarding block grant policy, technical assistance, and data collection issues.

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## Data Gathered Through Cooperative Efforts Supplement Required State Reports

ADAMHA relies heavily on required state reports as a source of information. While these reports do not contain common data elements or categories that would allow national comparisons across states, they provide summary information on individual state programs for substance abuse and mental health. As a result, to develop a national program perspective, ADAMHA uses data collected by national associations (NASADAD and NASMHPD) that are more comparable than those in the state reports. The NASADAD survey on substance abuse provides national data on funding sources, expenditures, clients, and services, but the NASMHPD survey on mental health provides data only on funding sources and expenditures.

ADAMHA annually obtains client, services, and expenditure data from states on substance abuse activities through a contract with NASADAD.<sup>2</sup> Although NASADAD's survey provides data on all state substance abuse activities, not just those specifically supported with federal funds, the survey provides a perspective on how the block grant relates to the full range of state expenditures and services.<sup>3</sup> Furthermore, these data are gathered using standard forms and definitions, thus allowing more cross-state comparisons.

In regard to mental health, ADAMHA supplements the data it collects through the reports required by the states and compliance reviews with a national inventory of mental health organizations prepared by NIMH and a revenues and expenditures survey conducted by NASMHPD.<sup>4</sup> Both NASMHPD and NIMH data collection efforts are biennial and therefore not

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<sup>2</sup>State Resources and Services Related to Alcohol and Drug Abuse Problems, Fiscal Year 1986: An Analysis of State Alcohol and Drug Abuse Profile Data (National Association of State Alcohol and Drug Abuse Directors, Inc., July 1987), published annually.

<sup>3</sup>States submit data only on service providers or localities that are at least partially supported by state funds.

<sup>4</sup>State Funding Project: Funding Sources and Expenditures of State Mental Health Agencies: Revenue/Expenditure Study Results, Fiscal Year 1986 (National Association of State Mental Health Program Directors, July 1987).

extensive. NASMHPD also acknowledged that data submission for its survey is a lengthy, iterative process. State officials said that they often need to use several sources of information to complete NASMHPD tables and that conforming to the national associations' definitions can present a burden for states that have manual data systems or collect only summary client data from local units. State officials also said that inconsistency between NASMHPD and state reporting formats creates problems. Nevertheless, they prefer the current approach to federal reporting under the former categorical programs.

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## Technical Adequacy

Data are generally available and reported by states to provide a national overview of funding across states. Moreover, internal controls appeared to be generally adequate to ensure that data are reasonably accurate. However, the data did not allow precise aggregation.

## Availability

Funding data requested by NASADAD and NASMHPD are generally collected by local agencies and service providers and reported to state agencies. Although all states submitted data to NASADAD and NASMHPD, many were not able to provide data in the requested format. Substance abuse data on clients, services, and funding are available annually to ADAMHA. Mental health data on funding are also available, although they are published biennially. However, there are currently no state-level data on block grant mental health clients and services being collected nationally.

To increase the types of data requested by NASADAD and NASMHPD, state officials consult with these national associations to determine whether they can regroup state data to match the categories defined by the associations. Involving the states in the design of these surveys has also increased the consistency between national association data collection formats and those of the states. This has helped to increase the likelihood that all states could respond to their associations' data requests. In fact, all 50 states, the District of Columbia, American Samoa, Puerto Rico, and the Virgin Islands submitted data for NASADAD's 1986 report. In addition, 50 states, Puerto Rico, the District of Columbia, and the Virgin Islands submitted data for NASMHPD's 1985 revenues and expenditures report.

There was full state participation in the national association surveys because the types of data NASADAD and NASMHPD request are generally available from local service providers. States we visited generally experience little difficulty with local units reporting data according to

state definitions and formats. Substance abuse agencies in two of the six states we visited believe they do not have clear state authority to require the submission of individual client data by local service providers. California does not require alcohol client information from its counties. As a result, only 17 of the 57 counties report such data. In Virginia, where voluntary state collection of client data for substance abuse and mental health programs was recently discontinued because of low local unit participation, state officials approximate percentages of clients served from summary data.

Both California and Virginia still participate in national surveys. The other four states require local units to report client data to the state agencies. The six states told us that local units report required financial information, the requirements for which are usually outlined in grant or contract arrangements between the states and local service providers.

Because of differences in state and national association definitions, some states cannot report data in the requested format. For example, in data submission to NASMHPD, states use the term "unallocatable" when they are unable to allocate expenditures or revenues according to specific service categories or client groups identified by NASMHPD. When states are unable to provide data to NASADAD using standard definitions or tables, states leave such categories blank or indicate that information is "not available." Many such responses appear in each association's tables. In NASADAD's fiscal year 1986 report, 11 of the association's 21 tables contained "not available" responses from at least eight states. In two NASADAD tables, 20 of the 54 respondents gave such a response in at least one category. Most NASMHPD tables contained a significant number of "unallocatable" responses. In one table, 38 of the 53 respondents gave such a response in at least one category.<sup>5</sup>

## Comparability

Although the types of data that NASADAD and NASMHPD request are available at the state and local levels, data formats and definitions vary across states. Five of the six states we visited told us that their information systems are not entirely consistent with either NASADAD's or NASMHPD's data collection standards and formats. These states sometimes attempt to use their own definitions or disaggregate their data and then regroup them to match national association categories. As a result, national association data are not always comparable across states.

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<sup>5</sup>The tables with the most "unallocatable" responses categorized state mental health agency expenditures according to age groups and types of service settings.

Three of the six states we visited had difficulty in completing NASADAD's alcohol and drug client information tables because state definitions or groupings of summarized data differed from NASADAD's.<sup>6</sup> In California, for example, alcohol services are grouped by the state into several environments of treatment approaches, such as residential detoxification and recovery services, nonresidential services, and prevention services. However, NASADAD requests that statistical data be reported in three environments: detoxification, rehabilitation/residential, and outpatient. Therefore, before submitting data, California must regroup them to match NASADAD's categories. Pennsylvania and Virginia also had difficulty in matching their states' data with NASADAD's definitions. Both states must regroup their data to fit into some of NASADAD's categories.

Because of state difficulties in matching the national associations' data categories, the associations include footnotes in their final reports that explain how a state's definitions or data collection procedures differ from NASMHPD's or NASADAD's. In NASMHPD's fiscal year 1985 expenditure data report, footnotes contained in a 14-page appendix explain differences in the 53 state and territorial data submissions. In NASADAD's report, there were a large number of footnotes in 3 of the 21 tables.

## Accuracy

Internal control procedures at both associations and the six state agencies we visited appeared to be adequate to provide national data to meet congressional and federal agency oversight needs. NASADAD developed an intake checklist to ensure that data states report meet its minimum standards of completeness and quality. NASMHPD requests states to submit supporting documentation in order to verify state revenue and expenditure data. Both associations contact the state when either the data reported are insufficient or the associations have questions concerning the data. However, neither NASADAD nor NASMHPD visits states to verify or audit information collected through their voluntary data collection efforts.

The six states reported that they also had internal control procedures in place to verify local units' data. Maryland and Texas have formal internal control procedures that include (1) computerized validity checks of local reports, (2) data entry verification, (3) regular field visits by state monitoring units to verify samples of local records, and (4) audits of

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<sup>6</sup>We have identified the six major categories in NASADAD's alcohol and drug client information tables to be the following: environment, type of care, age, sex, race/ethnic origin, and primary drug of abuse. States had no problems with providing data on the sex category.

local financial reports. However, state internal control procedures are not always formalized. In Virginia, for example, state monitoring procedures consist primarily of comparing local service providers' actual figures with their previously projected figures. The six states we visited require their local units to provide reports, although California and Virginia do not require the collection of individual client data.

## ADAMHA Plays a Limited Role in Cooperative Data Collection Efforts

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Since the cooperative approach evolved under the ADMS block grant, ADAMHA has played a limited role in the design and implementation of national data systems. ADAMHA did not formally participate in the initial design of NASADAD's reporting form; the format was developed by the states, with the cooperation of the National Institutes on Drug Abuse and on Alcohol Abuse and Alcoholism. Although ADAMHA has since begun to participate in NASADAD meetings for annual revisions to the reporting forms, the agency has carefully limited its involvement, so as not to be interpreted as prescribing the format or content of this survey. In the mental health area, ADAMHA's involvement with NASMHPD's data collection effort ceased in 1985, but it uses NASMHPD data as its primary source of comparable financial data across states.

Neither the states nor the national associations we visited believe that the federal data collection role should be expanded. Moreover, states and national associations believe that such an effort would not be warranted or helpful to ADAMHA in meeting its block grant data needs. NASADAD views voluntary data collection, using such tools as its data collection instrument, as the best approach to track the use of ADMS block grant funds and therefore believes that a federally mandated system is unnecessary.

Furthermore, NASMHPD believes that a federally mandated system would not recognize the state data collection needs, thereby widening rather than narrowing differences between state and national level data collection objectives. Four of the six states we visited told us that they were satisfied with the current cooperative data collection approach and that a voluntary system is preferred, although several members of the Texas congressional delegation expressed concern about the use of voluntarily reported state-level data to allocate funds under the Anti-Drug Abuse

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Act of 1986 (a one-time emergency grant). Texas formally protested ADAMHA's use of the NASADAD data for this purpose.<sup>7</sup>

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## Conclusions

The collection of substance abuse and mental health data through cooperative efforts has reduced the burden on the states, when compared to federal reporting under prior categorical programs. Also, the data are generally available in a timely manner. However, the data are not comparable across all states.

Because of limited data comparability, the NASADAD and NASMHPD survey results should not be used for purposes other than obtaining national data on funding, services, and client characteristics to meet congressional and federal agency oversight needs. The range of uses for these data beyond oversight will remain limited unless ADAMHA becomes more actively involved in encouraging states to use the national associations' standardized categories and definitions.

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<sup>7</sup>In early 1987, ADAMHA used NASADAD's data, which account only for those patients served by "state" agencies, to allocate alcohol and drug treatment funds available under Public Law 99-570. Texas patients, for the most part, receive services from city and county clinics that are state funded.

# Assessment of the Cooperative Approach Under the Low-Income Home Energy Assistance Program

States are required to provide data on services provided and client characteristics through grant applications and their year-end reports. The American Public Welfare Association has developed a standard format that states voluntarily use when they prepare their required year-end program reports. This format has increased data comparability across states. In addition, states voluntarily provide data through telephone surveys conducted by HHS and grantee profiles prepared for HHS by APWA.

Together, these reports provide a national picture of states' estimates of obligations, oil overcharge funds, clients served, and types of energy assistance activities for congressional and federal agency oversight. The data are timely and reasonably comparable across states. In addition, states reported that they had adequate internal control procedures to ensure that the data are reasonably accurate. Furthermore, federal data collection activities for LIHEAP are not perceived as a significant burden by the states we visited when compared to federal reporting under the former categorical program for low-income energy assistance.

## Program Characteristics

Energy assistance for low-income individuals is primarily a federal activity funded through LIHEAP, which redesigned the former categorical program. State and other funds, including oil overcharges, make up a small but increasing proportion of total program funding. Administered by the Family Support Administration (FSA) within HHS, the scope of LIHEAP activities is relatively narrow in that the block grant funds four possible activities: heating, cooling, crisis intervention, and weatherization.

Federal funding for LIHEAP has decreased since fiscal year 1986. For fiscal year 1988, LIHEAP was appropriated about \$1.5 billion. As of March 1988, only two states appropriated their own funds for the program area, totaling about \$17 million—about 1 percent of the federal contribution. In the six states we visited, only Maryland provided funding amounting to \$111,000 for the program. Most state cash assistance agencies set aside LIHEAP weatherization funds for other state agencies that administer Department of Energy weatherization programs.

The six states we visited used state agencies, local government agencies, nonprofit organizations, or some combination of the three to provide LIHEAP services. Each of the six states requires data reporting as a condition for subgrants. Moreover, in four of the six states, local funding awards depend on local agencies' reporting data to the state agency.

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## States Voluntarily Submit LIHEAP Data to FSA

FSA collects specific state data through three mechanisms: (1) grant applications, (2) semiannual telephone surveys, and (3) year-end reports. In an attempt to provide a national picture of LIHEAP activities, FSA uses data collected through these efforts. In addition, FSA contracts with the Bureau of the Census and the Department of Energy to collect uniform national and regional data on home energy assistance.

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## Required Reports

Grantees, including states, territories, and Indian tribes, are required to apply annually to HHS for their LIHEAP grants. The annual applications give HHS officials general information on grantees' use of funds, describe the eligibility requirements, and describe weatherization programs provided. In the early years, state applications varied greatly in form and content mainly because HHS chose not to prescribe how these applications should be structured. However, the 1986 legislation reauthorizing LIHEAP required the Secretary of HHS to develop a model plan, which grantees may use in preparing their applications. The LIHEAP model plan has since been developed by FSA, and some states began using it to prepare their fiscal year 1988 applications.

The program report that grantees are required to submit is a one-page summary of the number of households receiving assistance under each of the four LIHEAP activities, the income level of those households, and the number of households served with handicapped and elderly residents. As with the application, HHS chose not to specify a format for states to use when preparing program reports. However, when the block grant was established, APWA, in conjunction with National Governors' Association and HHS, developed a consistent format for the program reports. Although the states' use of the form in the preparation of their reports is voluntary, HHS does encourage grantees to use the APWA form. About 90 percent of the states do so.

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## Voluntary Telephone Surveys

FSA supplements its grant applications and the year-end reports with data from a contract with APWA and a voluntary telephone survey. In 1983, HHS funded APWA to develop a national data collection project called the Voluntary Information System for Energy Assistance. In fiscal year 1987, APWA received a 1-year contract to profile information from the grantees' applications and to verify information reported. During fiscal year 1988, FSA awarded a contract to continue the profiling of grantees' applications that APWA started in 1987.

FSA relies heavily on fiscal information collected directly from LIHEAP grantees through its voluntary telephone surveys conducted in winter and summer of each year. HHS mails survey forms about a month before the telephone contact to allow them time to prepare their information. The telephone surveys have served as a way of providing fiscal and caseload estimates to the Senate Committee on Appropriations. Information from the 1984 telephone surveys was used to support the request for a supplemental appropriation.

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### Contracted National Household Surveys

FSA also uses surveys conducted by the Bureau of the Census (Current Population Survey) and the Department of Energy (Residential Energy Consumption Survey) in preparing its annual report to the Congress. FSA contracts with these agencies to collect data related to home energy assistance. Information collected through these surveys allows FSA to conduct greater analysis of program activities. The Census Bureau's Current Population Survey uses standard definitions, such as total household income, rather than relying on each state's definition of household income. FSA officials believe that data collected nationally through state program reports can be useful in assessing the overall programmatic effects of LIHEAP when the information is combined with the results of Census' Current Population Survey and the residential energy consumption survey.

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### Assessment of the Cooperative Approach

We assessed the states' efforts to provide data to FSA on LIHEAP using a voluntary reporting format to meet federal oversight objectives. We found that these efforts provide national data on energy assistance activities in a timely manner for federal agency oversight and budgeting purposes. State officials believe that the reporting requirements present a minimal burden. Although state data estimates through the telephone surveys cause FSA officials some concern in making cross-state comparisons, the internal control procedures in place appear to sufficient to ensure data accuracy.

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### Timeliness

FSA gives state agencies about 1 month after instructions and forms are mailed to prepare for the voluntary telephone surveys. The 1986 telephone surveys and year-end reports were all completed and submitted in time to be incorporated in HHS's fiscal year 1986 report to Congress. The six states we visited told us that their local units generally reported data in time to be included in their year-end reports.

Generally, timeliness is not a problem for the year-end reports except for a few local agencies in Pennsylvania that handle the state's cash assistance program. The Pennsylvania state agency responsible for administering LIHEAP also had some difficulty obtaining weatherization data estimates from other state agencies. The other five states said that they had no problems with the time frames.

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## Burden

LIHEAP data collection efforts are minimally burdensome to states. The six states we visited had few problems in using the voluntary reporting format developed by APWA because their data systems were based initially on federal requirements. Thus, data can be extracted from state management information systems to meet federal reporting requirements. The six states said that the costs of national reporting were minimal, usually amounting to less than one staff-day for each of the telephone survey and the year-end report.

Of the four LIHEAP data collection activities, some state agency officials said the telephone survey requires additional effort because the data for the mid-year survey may not be as readily available as are estimates for the year-end survey and combining weatherization with the cash benefit part of the program can be difficult. However, FSA officials believe that the estimates collected through the telephone surveys are readily available since the states are being asked to provide estimates that they use for their own management. Therefore, FSA believes that the telephone survey is a minimal administrative burden on states.

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## Technical Adequacy

We found that the data collected nationally for LIHEAP are sufficiently uniform across states to meet statutory reporting requirements, develop national trends, and promote state information exchange. While the data do not allow precise aggregation because report definitions vary across states, these voluntary efforts still provide a general overview of the program.

## Availability

All 50 states and the District of Columbia participated in the 1986 telephone surveys and provided year-end reports in time to be incorporated in HHS's 1986 report to the Congress. Furthermore, the six states said that all local units reported client and financial data.

Overall, data are generally available for states to report to HHS. However, weatherization data are not always readily accessible to state cash

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**Appendix III**  
**Assessment of the Cooperative Approach**  
**Under the Low-Income Home Energy**  
**Assistance Program**

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assistance agencies because some of these agencies set aside a portion of their funds for other state agencies that administer the Department of Energy's weatherization programs. Some state cash assistance officials had difficulty obtaining data on the use of these funds. As a result, their reports to FSA did not always include data on income levels and the number of households with elderly and handicapped persons receiving weatherization assistance.

**Comparability**

Although the work performed by APWA in designing a form for preparing of the year-end program reports helped to standardize the reports, some differences in state formats and definitions exist. For example, Maryland defines income in terms of groupings that are different from those requested in the year-end report. Furthermore, according to FSA, most states reported elderly recipients as persons over 60, while a few states defined elderly as persons over 55. These differences are a result of differing eligibility definitions for program recipients receiving fuel assistance in these states.

**Accuracy**

FSA reported that it had internal control procedures to ensure that the data collected from states are sufficiently comparable and reasonably accurate. FSA staff review applications and year-end reports for completeness, and later for compliance with statutes. FSA does not, however, verify household counts. State program officials we visited said that they have adequate internal control procedures over their program data, because of their benefit eligibility concerns.

While internal control procedures appear to exist at the federal and state agency levels, the information on state expenditures and obligations is based on state estimates. These estimates can hinder data comparability and accuracy when aggregating data across states. Therefore, any national totals presented in HHS's reports to the Congress that are aggregated from program reports and telephone surveys have a number of footnotes explaining differences in state definitions. As a result, using certain data collected through the LIHEAP cooperative efforts for purposes other than meeting statutory reporting requirements, developing national trends, or promoting state information exchange may not be appropriate.

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## States Disagree Over Need for More Federal Definition

FSA officials strongly feel that a federally defined and mandated LIHEAP data collection system is not necessary because the existing data system provides reasonably uniform, quality data. Furthermore, FSA officials believe that a mandated LIHEAP data collection system would be contrary to the block grant philosophy of giving states managerial flexibility to administer their programs. Three of the states we visited believe that federal mandates would not improve data collection for LIHEAP. Yet, Maryland and Virginia believe that such standards could improve the program, while Pennsylvania believes that the LIHEAP system is already federally defined.

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## Conclusions

We generally agree with FSA's assessment that the LIHEAP cooperative data collection efforts provide data to meet its reporting requirements to the Congress in a timely manner without burdening states with excessive reporting requirements. While the LIHEAP cooperative efforts increased the comparability of data, there is incomplete reporting of weatherization data.

We also believe that because the statutes identify specific types of data that must be collected, states are more willing to use a uniform format to report such data to FSA. Furthermore, the fact that LIHEAP supports distinct program activities made it easier for states to collect the types of data needed at the federal level. More significantly, however, LIHEAP data collection efforts were enhanced by legislation requiring the Secretary of HHS to develop a model state plan format for state use.

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# Assessment of the Cooperative Approach Under the Community Services Block Grant

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Under a grant from HHS, the Center for Community Futures conducted a national survey of CSBG-supported activities in which the National Association for State Community Services Programs encouraged states to voluntarily participate to provide an overview of the CSBG program. Although a few states did not participate, this data collection effort consistently had high state participation; that is, at least 46 states completed some parts of the survey since 1983, despite the perception that the effort required substantial additional work for the states we visited. The result has been an annual report each year providing national statistics on the numbers of clients, types of CSBG-supported activities, and additional revenues generated by the program that are otherwise unavailable.

While this cooperative effort improved the availability and comparability of data, preparation of the long form required a significant effort. This burden could be reduced by requesting only minimum data needed by states and local community action agencies to increase state participation and completion of more parts of the long form. In addition, some states were slow in submitting their responses, and others could do more to provide data on all parts of the survey. As a result, a complete picture of CSBG activities was not available.

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## Program Characteristics

The purposes of CSBG are broad and diffuse: reducing poverty and assisting low-income residents in gaining self-sufficiency. These objectives were authorized under the eight categorical programs consolidated into the block grant and were incorporated into the program with little change. CSBG funds support a variety of direct services, such as education, employment, housing, nutrition, income management, and emergency assistance.

States had little involvement in administering community services programs before the creation of the block grant because the federal government directly funded local community action agencies. With the advent of the block grant, states were given responsibility for the program and authority over local service providers.

Like LIHEAP, the CSBG program is primarily supported with federal rather than state funds. CSBG is also administered by FSA, within HHS. In 1986, 13 states supplemented \$320.6 million in federal CSBG funds with \$15 million in state funds. Of the states we visited, Rhode Island has provided fairly constant state funding of about \$250,000 for community services, while Maryland contributed \$205,000 for the first time in

1986. For fiscal year 1988, \$382 million in federal funds was appropriated for the program.

In addition to CSBG funds, local service providers receive substantial funding from other federal programs, the private sector, and state and local governments. The federal programs primarily include Head Start, community development, and weatherization.

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## States Cooperate to Prepare Voluntary National Reports With Federal Support

Since their assumption of administrative responsibilities under CSBG, states have actively participated in a cooperative national data collection effort undertaken by NASCSP and the National Governors' Association and subsequently administered by the Center for Community Futures, which has received an average of \$200,000 annually in federal funds for this purpose. The states provided data to the Center on clients served, activities funded, revenue sources, and expenditures under CSBG.<sup>1</sup>

Although state participation in the Center's effort was voluntary, about 95 percent of the states have provided information for at least some parts of the survey since 1983. The state participation and the consistency of the data categories from year to year make it possible to identify trends in program services and expenditures.

Federal funds were provided to the Center in 1982 by the outgoing Community Services Administration to assist the states in the transition from the categorical programs to the block grant and from federal to state management. Since states lacked experience with administering the earlier programs, the Center's grant was designed to provide training and technical assistance to state CSBG staff and to create an information exchange among states. As a necessary first step, the Center surveyed states to obtain information on staffing, location, resources, and needs of state agencies involved in CSBG administration.

When HHS assumed responsibility for CSBG in 1982, it extended the Center's grant for training and technical assistance. HHS collaborated with the National Governors' Association and NASCSP in setting up state information systems that laid the foundation for the current national CSBG survey. The total national effort cost \$440,000 in 1984, according to information provided by the Center.

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<sup>1</sup>FSA currently has a contract with NASCSP to collect national data on CSBG.

Although changes are made annually to the survey based on the advice of NASCSP's data committee, the core of the survey remained essentially the same up to fiscal year 1988, when NASCSP began to conduct the survey. It collects statistical data on (1) CSBG funds available to states, (2) states' distribution of these funds, (3) other funding available to local service providers, (4) numbers and types of local service providers, (5) state agency administration, (6) expenditure of CSBG funds for each activity identified in the legislation, and (7) numbers of clients served in each activity. These seven activity categories are called the "short" form. The states have the option of using the short form or the "long" form, which consists of 88 subcategories. For fiscal year 1986, 31 states completed the long form. In addition to statistical data, a section of the survey requested narrative highlights of major management and programmatic accomplishments or outcomes.

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## Assessment of the Cooperative Approach

Although the cooperative approach to data collection for CSBG had a high state participation rate, state officials perceive the effort as burdensome. The comprehensiveness of the long form required a significant effort for both state and local officials. As a result, fewer states provided data requested on the long form. Differences in state definitions resulted in limited data comparability. Despite these differences, internal control procedures at the national level appeared to be sufficient.

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## Timeliness

Some states were slow in submitting their responses for the national survey. The 1986 national survey was mailed to states in December 1986, with a return due date of March 31, 1987. Only 13 states submitted their survey forms by the due date. Another 15 reports were received by April 30, and another 18 by September 30, thus leaving 4 reports outstanding 6 months after the due date.

None of the responses from the five states<sup>2</sup> we visited was received by the due date, although Rhode Island's was received in April. Pennsylvania asked for a 3-month extension, which it met. Texas was received within 2 months, and California and Maryland responses were received within 3 months of the due date.

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<sup>2</sup>In Virginia, CSBG was not included as part of this review because the program records were unavailable at the time we performed our work. Therefore, we reviewed only five states under CSBG, although six states were covered for the other three block grants (ADMS, LIHEAP, and education).

Although the Center's report was due to FSA in October 1987, its fiscal year 1986 report was published in November 1987. Forty-six states, the District of Columbia, and Puerto Rico submitted data for the Center's fiscal year 1986 report.

Delays in state responses are due, in part, to the national survey requirement that states report on 100 percent of their local service providers, rather than a sample or estimate. Consequently, states delayed their responses until they had received all local submissions. Maryland and Pennsylvania pointed out that responses of local service providers are slow in some cases because their priority is on providing services rather than statistics. These two states also said that differences between program years for financial and programmatic data, as well as changes in state personnel and data systems, slow down their survey responses.

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## Burden

The five states we visited felt that the preparation of the long form, which requested detailed information, required substantial work beyond that required to maintain existing state data bases. Four of the five states completed the short form and attempted to quantify the time spent to complete the form. These states estimated that it took 1 to 2 weeks of state agency staff time. Rhode Island, the only state we visited that completed the long form, estimated that it took about 12 weeks. States had difficulty filling out the national survey because their sub-state data systems are often not modeled after the national survey. However, several states were revising their data collection forms to conform to the national survey.

In 1987, three of the states we visited changed their data systems in order to obtain data needed for the Center survey. Pennsylvania made an incremental change, adding a new one-page report to those already required of local service providers. Maryland and Texas made major changes to incorporate the national service categories and definitions. These states emphasized that the process of changing data systems is particularly burdensome. Before the changes, these states did not respond to certain parts of the national survey. Despite the perceptions that the survey represented a significant burden, four of the five states we visited pointed out that they continued to participate primarily to provide information to the Congress.

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Technical Adequacy

Although the types of data requested to complete the Center's short survey form (40 states) were generally available, the number of states (32 states) completing at least some parts of the long form indicated that client and program data collected by local service providers are more difficult for states to obtain than fiscal and management data. Despite the set of standardized definitions and forms provided by the Center, the comparability of data (long form) was limited because state definitions did not always conform to those of the Center. However, the Center had internal control procedures in place that appeared to promote data accuracy.

Availability

States have the statutory and contract authority necessary to obtain local data, although all states did not participate in the Center survey. The states we visited may withhold or deny funding if local service providers fail to provide required reports. They also require local service providers to submit annual applications, as well as quarterly program and fiscal reports. Local service providers submit applications on standardized state forms following definitions provided.

From the outset, the national survey has had very high overall response rates, with at least 46 states completing some parts of the survey. Following the piloting of the survey in 1983, 47 states responded in 1984, 47 in 1985, and 46 in 1986. Of the states that participated in the 1986 national survey, only 39 completed the long form. Of these, seven states provided only partial data. Of the five states we visited, only Rhode Island completed the long form of the 1986 survey. Until all states participate in the survey and more states complete all of the long form, a national picture of the program will not be complete.

The states' responses on separate sections of the survey varied, with high response rates for the six major sections focusing on state administration and numbers and types of local service providers. For fiscal year 1986, all participating states responded to these sections. These data are generated directly by states as part of their management function.

Fewer states provided complete responses for other sections of the survey that requested programmatic data on the expenditure of CSBG funds and number of clients served by type of program activity. These data are maintained and reported by local service providers. For fiscal year 1986, about 74 percent of participating states responded to this section.

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Comparability

The Center's set of standardized forms and definitions increased the comparability of CSBG data. The survey consisted primarily of close-ended questions requiring numerical responses. The 31-page questionnaire was accompanied by a 29-page glossary defining CSBG services and a 15-page set of instructions for completing each data category. Although the services and clients supported by CSBG are quite diverse, the extensive instructions and definitions made it difficult for states and local service providers to describe them in uniform terms.

For example, client numbers requested are unduplicated counts of individuals. The instructions recognized that some states gather data on households, or service units, rather than on individuals, but recommended that these data be converted to client numbers. Where this was not possible, the survey offered six codes to identify numbers that represent unduplicated or duplicated individuals, households, or service units. Duplicate counts may occur when clients are enrolled simultaneously or sequentially in more than one service activity.

Accuracy

The Center reported that it had adequate internal control procedures to ensure that data were reasonably accurate. First, Center staff devoted considerable time to training and assisting states in making decisions about the specific category to which data should be entered. For example, states can obtain direct assistance by calling a telephone hotline located at the Center. This service is designed to improve the comparability of the national data and assist states in developing their own information systems. Second, a glossary and list of potential services are distributed along with the national survey to assist states in entering data into similar categories. Finally, because the Center recognized that reporting funds before the end of a program year required some estimating, survey instructions provided a methodology for such estimation.

States also reported that they had internal control procedures to ensure that local service providers enter data accurately onto the state and national forms. These activities include (1) providing written instructions, (2) seeking clarification from local service providers on specific items, and (3) responding to telephone inquiries. Pennsylvania augments these actions with scheduled training sessions for groups of service providers. Three states we visited indicated that they had made improvements in internal controls over data collection and reporting since the inception of the block grant.

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## Continued Federal Support Sought

States have sought, through the Center and NASCSP, federal support for their cooperative effort, and FSA has been responsive. Since the inception of the block grant, HHS has provided annual average funding of \$200,000 to support the preparation of the national survey and compilation of the responses. States, through NASCSP, were involved in the survey design. Federal funding, combined with state support, enabled professional staff at the Center to analyze data across states and prepare the national report.

The annual statistical report generated by the national survey gives the Congress essential information on how states use CSBG funds. However, increasing earmarks of federal appropriations have severely limited the amount of federal FSA administrative funds that are available for the national survey from year to year.

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## Conclusions

The Center's national survey increased the availability and comparability of CSBG data despite difficulties inherent in the program, such as diffuse program objectives. However, the preparation of the long form required a significant effort. This burden could be reduced by requesting only minimum data that are needed by the states and the local community action agencies. In addition, some states were slow in submitting responses by the due date, and a few states did not participate in the national survey. Until all states participate in the CSBG national survey and more states complete all parts of the survey that request detailed information, a complete national picture of CSBG activities will not be available on a timely basis.

The key element contributing to increased national data on CSBG activities was the availability of national-level staff, federal financial support, and the states' involvement in designing the survey. This initial investment has paid off in consistently high state participation for at least some parts of the national survey and a willingness by the states to model their data systems after the national system, despite the burden. This increase in national data may also be attributed to the value the states place on accountability to the Congress and the importance of program information and statistics in maintaining continued support.

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# Assessment of the Cooperative Approach Under the Education Block Grant

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Cooperative efforts to collect basic national data on the education block grant are achieving results, despite difficulties inherent in the extensive local autonomy granted by the program, the large number of participating school districts, and the breadth of allowable activities authorized by law. Concerned that the Congress needs basic program data to justify continued federal support, state program officials have taken the initiative to issue their own guidance for the uniform preparation of state evaluation reports required by law. Sixty-three percent of state submissions followed the format in fiscal year 1986, the most recent year for which submission information was available.

While the states' initiative has improved the availability and comparability of basic program data, the data were generally not timely. Also, the data varied in their technical adequacy, in part because of the lack of specific standard categories for reporting. However, most state officials we spoke with believe that the preparation of a single evaluation report covering over 40 former categorical programs has simplified paperwork procedures and reduced administrative burdens.

State officials are increasingly willing to follow a uniform reporting format because of the recognized need for national data on the education block grant. Yet the Department of Education did not compile and summarize data from fiscal year 1986 individual state reports to provide a national overview, beyond a brief summary contained in its annual evaluation report to the Congress to minimize its role in administering the program. Furthermore, state officials have not been able to obtain Education's support in developing a cooperative data collection system or secure federal funding to support preparation of a national report because the Department wants to limit its role in program administration. The Elementary and Secondary School Improvement Amendments of 1988, however, require the Secretary of Education to submit a report annually to the Congress on the use of education block grant funds and a report summarizing the required state evaluations in 1992.

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## Program Characteristics

States, rather than the federal government, are primarily responsible for administering the education block grant, which consolidated over 40 former categorical programs into a single block grant. The block grant is to be used to support a broad range of educational activities: for example, to promote basic skills in reading, mathematics, and communications; to support teacher training, guidance counseling, and equipment purchases; and to target funds to specific students and curriculum enrichment activities.

For fiscal year 1988, \$508 million was appropriated for the program. States must distribute at least 80 percent of the block grant funds to local educational agencies; the other 20 percent may be reserved for state use in supporting state and local programs. While the states are required to develop an equitable formula for distributing the 80-percent share of federal funds, the LEAs are granted total discretion, subject to the requirements of the legislation, over how they choose to use their share of funds. The six states we visited told us that they also have increased administrative and financial responsibility for the program, but no statutory authority to influence LEAs' decisions on the use of funds.

To receive funds, states must submit applications to the Secretary of Education at least every 3 years indicating how they plan to allocate the state share among authorized activities. Similarly, LEAs must submit applications to states indicating their plans. To meet federal reporting requirements, states must obtain necessary information from LEAs with a minimum of paperwork and administrative burden.

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## Agency Relies on Special Studies for a Program Overview

Since the passage of the education block, the Congress has been interested in how states and LEAs have exercised their new responsibilities and what changes in education have occurred. As a result, Education has received congressional requests for national data on such issues as the use of the state share, the state allocation formulas for distribution of the LEA share, and the LEA share for specific activities.

Education has two strategies to respond to requests for national data. Its primary strategy consists of contracting with research firms to conduct special studies on specific block grant issues, based on samples of states. The largest of these studies was a \$1 million project on the use of LEA funds for the 1984-85 school year, which was undertaken by SRI International in 1983 and published in January 1986. A secondary strategy has been to obtain data from all states through their required triennial applications and annual evaluations, although the states were not required to submit the evaluations to Education.

Education officials view the two strategies as complementary, with advantages and disadvantages to both. Special studies can address specific issues of current interest, while minimizing state and local costs and administrative burden by using a sample of states. However, the studies require separate federal outlays, do not identify national trends

over time since data are generally collected on a specific school year, and generalizations may not represent the full universe.

Information from the required state reports minimizes Education's costs, identifies trends, and would represent the universe if all states submitted reports containing comparable data in a timely manner. However, Education officials expressed concerns about the adequacy of the data obtained. For example, a major difficulty has been the variety of formats, categories, and definitions used by states, which has hindered attempts to provide a national picture of the education block grant.

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## States Develop Uniform Reporting Format for Required Evaluations

State officials have taken the initiative to develop a cooperative, uniform reporting format for the required state evaluations, but the process has been slow, and the format has lacked federal support. According to state officials, early requests for technical assistance to develop a format were denied by the Department of Education because it believed that it lacked statutory authority to become involved in developing the form or content of required state evaluations.

At the 1984 national conference of state education block grant officials, state officials responsible for preparing the evaluations established a work group, which, at a later meeting, developed an outline of data categories to be used for the evaluations, which was circulated for comment. In November 1985, the work group distributed the final version to all state education officials and clearly indicated that use of the outline was optional.

The outline provides a uniform reporting format for the data most states collect. It requests basic program data on dollars spent and services provided but leaves the inclusion of numbers served to the discretion of individual states. It also seeks program outcome data in statistical or narrative form. In addition to program data on the state and local shares, the outline gives states an opportunity to highlight local block grant projects in narrative form and to identify educational changes and benefits derived from the block grant.

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## Assessment of the Cooperative Approach

States' efforts to develop an outline have increased the comparability of data, but the data were generally not timely and not available from all states to provide a complete picture of the education block grant. Despite these problems, the single evaluation report reduced burden on

state and local educational agencies compared to those required for the former categorical programs.

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## Timeliness

States' voluntary participation in the cooperative data collection effort was generally not timely. The states were slow in meeting the date requested by Education, although two states we visited told us that they had adequate time to prepare the evaluations. Because data are not sufficiently timely, information on all state programs are not available when Education prepares its brief summary for the annual evaluation report. While Education informally requests the states to submit copies of the evaluations to it, states were not statutorily required to submit them to Education until the passage of the Elementary and Secondary School Improvement Amendments of 1988.

The existing legislation did, however, require that states make the evaluations available to the public. As a public entity, Education first requested copies of the fiscal year 1984 evaluations by January 31, 1985. Education requests states to continue to provide copies of their evaluations each year by January 31. States that do not submit their evaluations by the requested date are contacted by Education to provide them.

Our review of fiscal year 1986 state evaluations submitted to Education showed that only 10 evaluations were received by the January 31, 1987, request date (7 months after the close of the program year for most states). Another 31 evaluations were received by October 1987, and another 5 by April 1988, thus leaving 4 evaluations outstanding—15 months after the request date.

Department of Education officials told us that the fiscal year 1986 timetable is representative of other years, and that the bulk of submissions typically arrive at the Department during late spring and early summer in the year after the funds were spent. Fiscal year 1985 state evaluations were summarized by Education during this peak submission period. However, as data from special studies have become available, the agency's timetable for summarizing data from the state evaluations has slowed.

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## Burden

The states' cooperative data collection effort was generally less burdensome than reporting under the former categorical programs. Most state officials we visited believe that a single evaluation report covering over

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40 former categorical programs simplifies paperwork procedures and reduces the burden. While most of the state officials described the preparation of the evaluation report as a significant effort, they prefer the cooperative approach to reporting under the categorical programs.

State officials indicated that a single state application and evaluation now suffice, where multiple applications, reports, and evaluations were required under the categorical programs. Three states we visited told us that the education block grant data collection is less burdensome than former categorical programs, and two others said that it is less burdensome than other current federal education programs, such as Chapter 1 of the Education Consolidation and Improvement Act.

Despite the reduced federal requirements, five of the six states characterized data collection and reporting under the education block grant as a significant effort. Both California and Texas estimated that the total costs of preparing the required annual evaluation exceeded \$35,000. Other state program officials estimated state costs in terms of the time spent by staff in data collection, analysis, and report preparation. For example, this process takes 35 percent of the time of one state evaluation specialist in Rhode Island and 33 percent of the time of two evaluation staff members in Pennsylvania.

States generally have not made significant changes in their data collection systems to accommodate the cooperative reporting format for evaluations. Three of the states we visited told us that their data collection systems yielded the necessary information without major changes. Pennsylvania assisted in the design of the uniform reporting format, using its existing state data collection system as a model, thus easing its burden of accommodation. California, on the other hand, does not use the cooperative reporting format, because state officials believe that collecting data on all the national categories would significantly increase its administrative burden.

Virginia state education officials told us that they were more flexible and willing to work toward a national reporting format at the outset of the program before they developed and put in place their own systems to meet the federal reporting requirements. Once in place, though, they expressed some reluctance to make changes.

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## Technical Adequacy

Full state participation has not yet been achieved, although states are increasingly willing to voluntarily submit data to Education. The states

we visited require LEAs to use standard categories for reporting data to the state agency, but the lack of standard categories for preparing annual evaluation reports resulted in a wide variation of data that were not comparable at the national level. However, individual states generally had internal control procedures to ensure that the data reported by the LEAs were reasonably accurate.

#### Availability

The state evaluation reports generally provide basic programmatic data on the LEA share of dollars used for educational activities and student participation in the program. Financial data in the evaluation reports could provide a national picture of the use of education block grant funds by LEAs. However, until all states submit their evaluations, a national picture of the program will not be complete.

#### Comparability

The states' voluntary use of the outline improved the comparability of basic program data, but many states have not adopted the national reporting format. Nonetheless, use of the outline has increased from 27 percent for fiscal year 1985 to 63 percent for fiscal year 1986 submissions. Because of states' increased willingness to follow the outline in preparing their evaluation reports, financial data could be compiled for those states.

The outline is organized around the allowable uses of education block grant funds that are specified by law. Since grant applications must indicate how funds will be distributed among programs within these allowable uses, most states already collect these data.

The outline, however, does not include standard definitions of terms; instead, activities are defined by reference to federal laws and regulations governing the former categorical programs. The national outline does not define state administrative activities either. However, this lack of guidance is of less significance given that these activities are to be described rather than quantified.

Numbers of students or staff served with local education block grant funds are not requested in the outline because of definitional difficulties. Most states do report these data. However, there is a high likelihood of double-counting where the same students are served by more than one activity. Also, there are possible inconsistencies in identifying students that used instructional resources, such as library books and computers. The policy of one state we visited, for example, is to count

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total school enrollment, unless the resource is used by an identifiable group of students.

Accuracy

States we visited reported that they had internal control procedures in place to ensure that data reported by LEAs were consistent and reasonably accurate. They require applications from LEAs on state forms using standard state definitions of educational activities expenditure categories. Before approval, these applications are reviewed by state staff for completeness and internal consistency. For example, Maryland and Pennsylvania enter data into computers that are programmed to conduct error checks.

The states we visited require LEAs to submit annual evaluations using state forms. Most of these forms are tailored to individual projects and consist of a few open-ended questions calling for a narrative response. Five of the six states also require separate quarterly or annual financial reports; all require audits. In addition, five states conduct periodic monitoring visits to LEAs at which time several federal- and state-funded activities are reviewed.

Despite the fact that the education block grant funds represent less than 1 percent of total spending for education programs, the states we visited told us that they did not commingle federal and state funds, and they required LEAs to keep separate records of education block grant expenditures.

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**States Seek Agency  
Support for  
Cooperative Effort**

Although state program officials we spoke with are generally satisfied with the cooperative approach to data collection and reporting under the education block grant, they are aware of the problems of timeliness and lack of voluntary use of the national format by all states. They believe that the Department of Education's support may encourage more states to use the national format and that a streamlined evaluation format would reduce the burden on states and LEAs.

Education has attempted to minimize federal involvement in administering the education block grant as well as the states' reporting burden by limiting requirements to those specified in law. As a result, no data requirements, report formats, or standardized definitions beyond those in the education block grant legislation have been imposed through federal regulation. Program guidelines are provided as advisory and nonregulatory guidance and have tended to paraphrase the law. State

officials we visited said Education has not obliged their requests for assistance in developing state and national evaluation formats because Education officials believe they lack clear statutory authority to prescribe the form and content of the state evaluations. Requests for federal funding of a national voluntary effort have also been denied to minimize federal involvement.

Education views its major function under the education block grant as that of assuring state compliance with federal law. Since the law identifies the procedures states must follow in preparing their evaluation reports, rather than the content of these reports, Education's review focuses on evidence that the required procedures have been followed.

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## Conclusions

The states' initiative to develop a uniform reporting format has improved the availability and comparability of data across states, resulting in an expanded overview of how the education block grant funds are spent and what education activities are being supported. For the fiscal year 1986 evaluations, more than two-thirds of the states voluntarily followed a uniform reporting format. While states' voluntary participation is increasing, timeliness and comparability of data remain a problem. While states are making positive efforts, the lack of national leadership in encouraging states to use a uniform reporting format has slowed the potential of the cooperative effort.

The Congress has recently passed legislation to require the Secretary of Education to (1) work with state and LEA officials to develop a model system that states may use for data collection and reporting; (2) submit annually a report to the Congress on the use of funds, the types of services provided, and the students served; and (3) submit a report to the Congress summarizing the results of the evaluations in 1992. This legislation should increase the availability of basic national data on the education block grant, such as local use of funds and state allocation formulas for the distribution of federal funds.

# Comments From the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

SEP 26 1988

Mr. Lawrence H. Thompson  
Assistant Comptroller General  
U.S. General Accounting Office  
Washington, D.C. 20548

Dear Mr. Thompson:

Enclosed are the Department's comments on your draft report, "Block Grants: Federal and State Cooperation in the Development of National Data Collection Strategies." The enclosed comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "R. P. Kusserow".

Richard P. Kusserow  
Inspector General

Enclosure

COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ON THE GENERAL ACCOUNTING OFFICE (GAO) DRAFT REPORT,  
"BLOCK GRANTS: FEDERAL AND STATE COOPERATION IN THE  
DEVELOPMENT OF NATIONAL DATA COLLECTION STRATEGIES,"  
REPORT NO. B-217560, AUGUST, 1988

General comments

We agree with the draft report summary that a cooperative, voluntary approach to data collection is a viable way for Federal policy makers to obtain national block grant data for program oversight purposes. The Department has adopted this approach for the six block grants for which we have responsibility. Voluntary systems, with national leadership, are the most effective and least wasteful way to ensure the relevancy and accuracy of the information collected. Although mandatory systems have superficial appeal, experience demonstrates they quickly lose both relevance and reliability.

GAO Recommendation

We recommend that the Secretary of HHS work with national associations representing state officials to increase the comparability of data collected under the ADMS block grant by:

1. Entering into an agreement with appropriate national mental health associations, such as NASMHPD, to collect annual State-level data on mental health activities and client characteristics.

Department Comment

The Department, through the Alcohol, Drug Abuse, and Mental Health Administration, has been working with the National Association of State Mental Health Program Directors to enhance state-level data, including those pertaining to client characteristics. We will continue these efforts.

GAO Recommendation

2. Encouraging states to work with national associations, such as NASADAD and NASMHPD, to achieve greater comparability across state data systems in their use of standardized categories and definitions to collect data with respect to substance abuse and mental health activities.

Department Comment

We concur. The Department is attempting to help states achieve greater data comparability. ADAMHA is working with national associations to help establish data subcommittees to address

uniformity and consistency in reporting formats and definitions. We contribute to this effort through financial support of state staff participation and by convening state work groups.

GAO Recommendation

3. Participating in periodic efforts by the national associations to revise their data collection instruments.

Department Comment

We concur. The Department, acting through ADAMHA, will continue to participate in the efforts of the states and their national associations to improve the data collection instruments.

GAO Recommendation

We also recommend that the Secretary work with states to improve data comparability and increase the number of states reporting data on households receiving assistance to weatherize their homes under LIHEAP by--

- encouraging states to use the format developed by APWA to report LIHEAP data, and

- encouraging more states to report LIHEAP weatherization assistance data.

Department Comment

We concur and are pursuing these objectives by working with weatherization components in states, with the National Energy Assistance Directors, and with the Department of Energy's Weatherization program officials. We have sponsored joint conferences with DOE and will continue these efforts.

GAO Recommendation

We recommend that the Secretary work with states to increase data comparability and minimize burdens on state and local agencies under CSBG by

- participating in cooperative efforts, such as with NASCSP, to ensure that data elements and categories provide information needed at the state levels, and

- encouraging states to fully participate in the national survey.

Department Comment

We agree and are doing so through our grant to the NASCSP.

# Comments From the Department of Education



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE ASSISTANT SECRETARY  
FOR ELEMENTARY AND SECONDARY EDUCATION

SEP 19 1988

Mr. Lawrence H. Thompson  
Assistant Comptroller General  
United States General Accounting Office  
Washington, D.C. 20548

Dear Mr. Thompson:

The Secretary has asked that I respond to your request for our comments on your draft report.

The Department of Education concurs with the recommendations addressed to the Secretary of Education in the draft report on Federal and State cooperation in the collection of national block grant data.

The Secretary of Education plans to develop the cooperative data system recently required by Congress by working with State and local educational agencies (SEAs) and (LEAs). The Chapter 2 Steering Committee composed of SEA coordinators of Chapter 2 activities, will be the vehicle used to coordinate this effort. The composition of the Committee is representative of the SEAs in the Nation.

In order to facilitate uniform data collection, the Office of Elementary and Secondary Education will define specific data categories as elements of the model format for the required State evaluations. In addition, the steering committee will work cooperatively to develop a system to increase the timeliness of the required State evaluations as well as a format for a national report based on the results of these State evaluations.

We expect that these activities will be completed by October 1, 1989 to ensure that data are gathered in accordance with program needs as soon as the activities are implemented.

Enclosed are pages with specific comments. Thank you for the opportunity to comment. I and members of my staff are prepared to respond, if you or your representatives have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Beryl Dorsett".

Beryl Dorsett  
Assistant Secretary

Enclosures

400 MARYLAND AVE. SW WASHINGTON, D.C. 20202

# Comments From the Office of Management and Budget



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

SEP 16

Mr. Lawrence H. Thompson  
Assistant Comptroller General  
General Accounting Office  
Washington, DC 20548

Dear Mr. Thompson:

Thank you for requesting our comments on GAO's draft report entitled "Block Grants: Federal and State Cooperation in the Development of National Data Collection Strategies" (HRD-88-60 Block Grant Data Collection). We are proud of the flexibility given to States in collecting data on block grant programs and we strongly support its continuation.

Basically, we do not object to the report's recommendations, but we do not necessarily support Federal "seed money" for "initial systems start-up costs and ongoing costs for the collection, processing, analysis, and publication" for additional cooperative data collections. We would want to review on a case-by-case any funding proposals.

As for problems with the report itself, we worry that the findings may no longer be fully accurate since the data were collected in 1986-7 and came only from six States which were "judgmentally" versus randomly selected. The report states that "Our findings are not intended to be projected to the other block grants. Likewise, the results from our sample of six States should not be viewed as representative of experiences in other States." With time, we suspect that, with minimum Federal interference, States will not only improve in all aspects of their administration of block grants but also improve in their cooperation with each other to achieve nationally comparable data.

Sincerely,

  
Jimmie D. Brown  
Chief, Financial Systems and  
Policy Branch

# Major Contributors to This Report

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# Related GAO Products

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Reauthorization of the Alcohol, Drug Abuse and Mental Health Block Grant, Statement of J. William Gadsby, Associate Director, Human Resources Division (GAO/T-HRD-87-7, Apr. 3, 1987).

Education's Chapter 1 and 2 Programs and Local Dropout Prevention and Reentry Programs, Statement of William J. Gainer, Associate Director, Human Resources Division (GAO/T-HRD-87-2, Mar. 3, 1987).

Block Grants: Federal Data Collection Provisions (GAO/HRD-87-59FS, Feb. 24, 1987).

Education Block Grant: How Funds Reserved for State Efforts in California and Washington Are Used (GAO/HRD-86-94, May 13, 1986).

State Rather than Federal Policies Provided the Framework for Managing Block Grants (GAO/HRD-85-36, Mar. 15, 1985).

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